

INDEPENDENT AUDITORS' REPORT

To

The Members of M/s Nature-Positive Farming and Wholesome Foods Foundation

Report on the audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of M/S Nature-Positive Farming and Wholesome Foods Foundation ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Income and Expenditure for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the **Companies Act, 2013** ('Act') in the manner so required and give a true and fair view in conformity with the accounting standards specified under section 133 of the Act read with Companies (Accounting Standards) Rules, 2021 and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its Deficit for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditors' report thereon

The Company's board of directors are responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the financial statements

The Company's board of directors are responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

- The provisions of the **Companies (Auditor's Report) Order, 2020** ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company in terms of clause 1(2)(iii) of the CARO 2020 order, as the company is licensed to operate under Section 8 of the Companies Act, 2013.
- As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of Income and Expenditure, dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the **Companies (Accounts) Rules, 2014**;
 - (e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide MCA notification No. G.S.R.583 (E) dated June 13, 2017;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



- iii. The company is a section 8 company with charitable objects and it intends to prohibit the payment of dividends to its members. Hence the question of unpaid/unclaimed dividend to be transferred, to the Investor Education and Protection Fund by the Company does not arise.
- iv. The management has represented that, to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from the borrowed funds or share premium or any other sources or Kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries;
- v. The management has represented that, to the best of its knowledge and belief, other than those disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries; and
- vi. Based on the audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- vii. Based on our examination, the company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility wherein the accounting software did not have the audit trail feature enabled throughout the year.
- viii. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the company with effect from April 1, 2023, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is applicable for the financial year ended March 31, 2025.

For Vasudha & Prakash

Chartered Accountants

Firm Registration No. 012000S

CA Prakash A

Partner

Membership No. 225201

UDIN: 25225201BMLXFE8096

Place: Bangalore

Date: 08-09-2025



Nature-Positive Farming and Wholesome Foods Foundation

CIN: U85300KA2021NPL145280

426/2b, Amruthesh Nivas, 6th Main, 2nd Cross, Thayappa Garden, Bilekahalli, Bangalore - 560076

Balance Sheet as at 31st March 2025

(Amount in Rs.Hundreds)

Particulars	Notes	31st March 2025	31st March 2024
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	1,000	1,000
Reserves & Surplus	3	1,670	8,600
Money Received against Share Warrants			
Non-current Liabilities			
Long Term Borrowings			
Deferred Tax Liabilities			
Other Long term Liabilities			
Long Term Provision			
Current Liabilities			
Short Term Borrowings			
Trade Payables			
Total outstanding due to Micro, Small Enterprises			
Total outstanding due of creditors other than Micro, Small Enterprises			
Other Current Liabilities	4	147	508
Short Term Provisions	5	4,211	700
TOTAL		7,028	10,808
ASSETS			
Non-Current Assets			
Property, Plant and Equipment and Intangible assets	6		
Property, Plant and Equipment		1,876	3,721
Intangible assets		74	125
Capital Work in Progress			
Intangible Assets under development			
Non-Current Investments			
Deferred Tax Asset			
Long-Term Loans and Advances			
Other Non Current Assets			
Current Assets			
Current Investment			
Trade Receivables			
Inventories			
Short term Deposits Loans and Advances	7	1,250	1,250
Cash and Cash Equivalents	8	2,616	4,926
Other Current Assets	9	1,212	787
TOTAL		7,028	10,808

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

For Vasudha & Prakash
Chartered Accountants
FRN:012000S**CA Prakash A**
Partner

Membership No. 225201

UDIN: 25225201BMLXFE8096

Place: BANGALORE

Date: 08.09.25

for and on behalf of
Board of Directors of
Nature-Positive Farming and
Wholesome Foods Foundation**Karthikeyan M**
Director

DIN:03621322

Place: BANGALORE

Date: 08/09/2025

Vijayasankaran P S
Director

DIN:05149376

Place: BHOPAL

Date: 05/09/2025

Nature-Positive Farming and Wholesome Foods Foundation

CIN: U85300KA2021NPL145280

426/2b, Amruthesh Nivas, 6th Main, 2nd Cross, Thayappa Garden, Bilekahalli, Bangalore - 560076

Statement of Income and Expenditure for the period ending March 31, 2025

(Amount in Rs. Hundreds)

Particulars	Notes	31st March 2025	31st March 2024
INCOME			
Revenue from Operations			
Non-specific Program funding	10	52,213	65,000
Other Income	11	104	947
Total Income		52,316	65,947
EXPENSES			
Utilisation on Program Interventions	12	57,351	88,545
Depreciation and Amortization	13	1,895	1,781
Total Expenses		59,247	90,326
Excess of Income over Expenditure		-6,930	-24,380
Less: Provision for Tax		-	-
Excess of Income over Expenditure after Tax		-6,930	-24,380
Earnings Per Share	14		
Basic		-0.69	-2.06
Diluted		-0.69	-2.06

For Vasudha & Prakash
Chartered Accountants
FRN:012000S

CA Prakash A

Partner

Membership No. 225201

UDIN: 25225201BMLXFE8096

Place: BANGALORE

Date: 08-09-2025



for and on behalf of
Board of Directors of
Nature-Positive Farming and
Wholesome Foods Foundation

[Signature]

Karthikeyan M
Director

DIN:03621322

Place: BANGALORE

Date: 08/09/2025

[Signature]

Vijayasankaran P S
Director

DIN:05149376

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Date: 05/09/2025

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426/2b, Amruthesh Nivas, 6th Main, 2nd Cross, Thayappa Garden, Bilekahalli, Bangalore - 560076

Schedules to Balance Sheet as on March 31, 2025

(Amount in Rs. Hundreds)

2	SHARE CAPITAL		31st March, 2025	31st March, 2024
	Particulars			
	Authorised Capital			
	10000 Equity shares (2024: 10000) of Rs.10 each		1,000	1,000
	Subscribed, Issued and Paid up Capital			
	10000 Equity shares (2024: 10000) of Rs.10 each		1,000	1,000
	TOTAL		1,000	1,000

(a)	Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period				
	Particulars	31st March, 2025		31st March, 2024	
		Number of Shares held	Amounts	Number of Shares held	Amounts
	At the Beginning of the Year	10,000	1,000	10,000	1,000
	Issued during the Year	-	-	-	-
	At the End of the Year	10,000	1,000	10,000	1,000

- (b) **Terms/ Rights attached to equity Shares**
The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

- (c) **Details of Shareholders holding more than 5% shares in the Company**
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, No shareholder is holding more than 5% shares in the company.

(d)	Shares held by promoters at the end of the year				
	Name of the Promoter	31st March, 2025			
		Number of shares held	% of Total shares held	% Change during the Year	
	Karthikeyan Muniappan	500	5%	-	-
	Ved Mitra Arya	500	5%	-	-
	Cyriac Babu Joseph	500	5%	-	-
	Rita Banerjee	500	5%	-	-
	Yogesh Jain	500	5%	-	-
	Nagappa Gurusiddappa Mallesh	500	5%	-	-
	Vijay Shankar Perumpilavil Sivaraman	500	5%	-	-

(Amount in Rs. Hundreds)

3	Reserves & Surplus		
	Particulars	31st March, 2025	31st March, 2024
	Opening Balance	8,600	29,213
	Add: Current year Excess of Income over expenditure	-6,930	-20,613
	Closing Balance	1,670	8,600

4	Current Liabilities		
	Particulars	31st March, 2025	31st March, 2024
	Statutory Dues - TDS	50	500
	Statutory Dues - Profession Tax	8	8
	Sundry Creditors	89	-
	TOTAL	147	508

There is no trade payables, hence ageing schedule is not provided

5	Short term Provisions		
	Particulars	31st March, 2025	31st March, 2024
	Audit fees Payable	1,050	700
	Salary Payable	3,161	-
	TOTAL	4,211	700

7	Deposits		
	Particulars	31st March, 2025	31st March, 2024
	Rental Deposit	1,250	1,250
	Fixed deposit at Bank more than 3 months maturity	-	-
	TOTAL	1,250	1,250

8	Cash and Cash Equivalents		
	Particulars	31st March, 2025	31st March, 2024
	Cash in hand	-	-
	Cash at Bank	2,616	4,926
	Fixed deposit at Bank Less than 3 month maturity	-	-
	TOTAL	2,616	4,926

9	Other Current Assets		
	Particulars	31st March, 2025	31st March, 2024
	Advance to Suppliers	-	11
	TDS Receivable	1,195	251
	Advance for Statutory payments	17	525
	TOTAL	1,212	787

There is no trade receivables hence ageing schedule is not provided

Nature-Positive Farming and Wholesome Foods Foundation

CIN: U85300KA2021NPL145280

426/2b, Amruthesh Nivas, 6th Main, 2nd Cross, Thayappa Garden, Bilekahalli, Bangalore - 560076

6 Schedule to Fixed Asset Schedule to Balance Sheet as on March 31, 2025

(Amount in Rs. Hundreds)

Asset Category /	Useful Life	Rate (SLM)	GROSS BLOCK			DEPRECIATION				NET BLOCK		
			Balance as on 01.04.2024	Addition	Deletions	Balance as on 31.03.2025	Balance as on 01.04.2024	For the Year	Deletions	Balance as on 31.03.2025	Balance as on 31.03.2025	Balance as on 31.03.2024
Computers-Enduser devices	3	31.67%	5,713	-	-	5,713	3,339	1,700	-	5,039	674	2,374
Furniture & Fittings	10	9.50%	1,772	-	-	1,772	426	144	-	570	1,202	1,347
Computer Software	5	19.00%	180	-	-	180	55	51	-	106	74	125
TOTAL			7,665	-	-	7,665	3,820	1,895	-	5,715	1,950	3,846

Nature-Positive Farming and Wholesome Foods Foundation

CIN: U85300KA2021NPL145280

426/2b, Amruthesh Nivas, 6th Main, 2nd Cross, Thayappa Garden, Bilekahalli, Bangalore - 560076

Schedules to Statement of Income and Expenditure for the period ending March 31, 2025

(Amount in Rs. Hundreds)

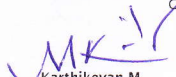
10	Income		
	Particulars	31st March, 2025	31st March, 2024
	Non-specific Program funding	42,000	65,000
	Certification Training and Technical Support Fees	10,213	3,766
	TOTAL	52,213	68,766
11	Other Income		
	Particulars	31st March, 2025	31st March, 2024
	Interest from Bank	103	947
	Other Income	0	-
	TOTAL	104	947
EXPENDITURE			
12	Utilisation on Program Interventions		
	Particulars	31st March, 2025	31st March, 2024
	Employee Benefit Expenses	49,475	70,472
	Certification Training & Support	-	129
	Production Enhancement Training & Support	518	158
	Research & Policy Advocacy	193	603
	Value Chain Development Training & Support	-	5,080
	Administrative Expenses	3,099	4,260
	Establishment Expenses	796	1,469
	New Partner Engagement	-	-
	Human Resource Development	80	89
	Identifiers & Communication	512	688
	Travel Expenses	2,678	5,597
	TOTAL	57,351	88,545
13	Depreciation & Amortisation		
	Particulars	31st March, 2025	31st March, 2024
	Depreciation of Tangible Asset	1,844	1,764
	Amortization of Intangible Asset	51	17
	Total	1,895	1,781

(Amount in Rs. Hundreds)

14	Earnings Per Share		
	Particulars	31st March, 2025	31st March, 2024
	Income after Exceptional and Extraordinary items and Tax	-6,930	-20,613
	Net Income for calculation of Basic and Diluted EPS	-6,930	-20,613
	Weighted Average Number of Equity Shares for		
	Basic EPS	10,000	10,000
	Diluted EPS	10,000	10,000
	Earnings Per Share		
	Basic EPS	-0.69	-2.06
	Diluted EPS	-0.69	-2.06
15	Payment to Auditor under the head "Professional Expenses" & "Audit Fees"		
	Particulars	31st March, 2025	31st March, 2024
	Statutory Audit Fees	350	700
	Professional Expenses	-	-
	*Amount mentioned above includes GST		
16	Related Party Disclosures		
	Particulars	31st March, 2025	31st March, 2024
	Remuneration to Key Managerial Personnel		
	Karthikeyan Muniappan - Director/ Shareholder	14,002	20,400
	Professional Charges to Key Managerial Personnel		
	Karthikeyan Muniappan - Director/ Shareholder	-	-
17	Ratios		
	Particulars	31st March, 2025	31st March, 2024
	a) Current Ratio,	1.17	5.76
	(b) Debt-Equity Ratio,	0.00	0.00
	(c) Debt Service Coverage Ratio,	0.00	0.00
	(d) Return on Equity Ratio,	-2.60	-2.15
	(e) Inventory turnover ratio,	0.00	0.00
	(f) Trade Receivables turnover ratio,	0.00	0.00
	(g) Trade payables turnover ratio,	23.35	0.00
	(h) Net capital turnover ratio,	21.48	9.22
	(i) Net profit ratio,	-0.13	-0.30
	(j) Return on Capital employed,	-2.60	-2.15
	(k) Return on investment,	-3.55	-5.36
18	In the opinion of the Board of Directors of the Company, the current assets, Loans and Advances are of the values stated, if realised in the ordinary course of business. Except otherwise stated, the provision for all the known liabilities is adequate and not in excess of the amount considered reasonably necessary		
19	In terms of the requirements of the Micro, Small and Medium Enterprises development Act, 2006, the company has continuously sought confirmations. Based on the information available with the Company, there are no principal/ interest amount due to micro, small and medium enterprises other than those mentioned under trade payables		

- 20 There were no contingent liabilities or capital commitments at the end of the year
21 The previous year's figures were regrouped and reclassified to match with current year classification wherever necessary

for and on behalf of
Nature-Positive Farming and Wholesome Foods Foundation
CIN:U85300KA2021NPL145280


Karthikeyan M
Director
DIN:03621322
Place: **BANGALORE**
Date: **08/09/2025**


Vijayasankaran P S
Director
DIN:05149376
Place: **BHOPAL**
Date: **05/09/2025**

Note 1: Significant Accounting Policy

1. BACKGROUND

Nature Positive Farming and Wholesome Foods Foundation, ("the Company") was incorporated on 13 March 2021. The company is registered as Section 8 Company under the provisions of the Companies Act, 2013.

The focus of the company is to mobilize resources

- a. To promote nature-positive ecological farming and healthy food systems across India to enhance livelihood security and resilience of small and marginal farmers, and to improve the food safety, nutrition security, and environmental health of the society.
- b. To support farming communities, farmers organizations, Government organisation, NGOs, market entities, corporates, and other agencies to evolve, establish, and scale-up context-based methods of ecological farming, leading to elimination of the use of synthetic chemical pesticides.
- c. To facilitate the development of local, regional, and national value/supply chains for safe, pesticide-free foods.
- d. To build a knowledge base, serve as a resource organization, and create an enabling environment for nature-positive farming and wholesome food systems.
- e. To promote equality and social inclusion in nature-positive farming and food systems by engaging with vulnerable sections like small and marginal farmers, Dalits, tribals, women, youth, and consumers with low purchasing power for the relief of poor.
- f. To advance any other object of general utility in relation to the aforesaid or similar matters.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of preparation of financial statements

The financial statements are prepared in accordance with Generally Accepted Accounting Principle in India (GAAP) under the historical cost convention on the accrual basis. GAAP comprises of mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, and the relevant provision of the Companies Act, 2013 (the 2013 Act) applicable, Accounting Standards ("AS") issued by Institute of Chartered Accountants of India (ICAI) and other generally accepted accounting principle in India.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

The company is a small and medium-sized company (SMC) as defined in the General Instructions in respect of the Accounting Standards notified under the Companies Act, 2013. Accordingly, the company has complied with the Accounting Standards as applicable to the Small and Medium Sized Company.

B. Inventories

Inventories are valued at the lower of cost, computed on a weighted average basis, and estimated net realizable value, after providing for cost of obsolescence and other anticipated losses, wherever considered necessary. Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

C. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

D. Net Surplus or Deficit for the period, Prior period items and changes in accounting policies

Ordinary activities as are of such size, nature, or incidence that their disclosure is relevant to explain the performance of the enterprise for the reporting period. Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company are classified as extraordinary items. Specific disclosure of such events/transaction is made in the financial statements. Similarly, any external event beyond the control of the company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such. On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the company. Such income or expenses is classified as an exceptional item and accordingly disclosed in the notes to accounts.

E. Depreciation and Amortization

Depreciation on tangible assets is provided on the Straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a Straight line method, commencing from the date the asset is available to the Company for its use. The Management estimates the useful lives for the other fixed assets as follows:

Particulars	Useful Life
Plant and Machinery	15 Years
Furniture & Fixtures	10 Years
Motor Vehicle	8 Years
Office Equipment	5 Years
Computers & Laptops	3 Years
Computer Software	5 years

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

F. Revenue recognition

i. Sale of goods

Sales are recognized when goods are supplied, and all the significant risk and reward associated with ownership of goods are transferred to the buyer. Sales are recorded net of sales taxes.

ii. Provision of services

Revenue from Provision of services are recognized as and when the services are rendered under a contract.

iii. Interest

Revenue is recognized on a time proportion basis taking in to account the amount outstanding and rate applicable.

G. Fixed Assets

Tangible assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises purchase price and expenses directly attributable to bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset are added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements.

Gains or losses arising from disposal or retirement of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized net, within "Other Income" or "Other Expenses" in the statement of Income and Expenditure in the year of disposal or Retirement.

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

H. Investments

Trade investments are the investments made to enhance the Company's business interests. Investments are either classified as current or long-term based on the Management's intention. Current Investments are carried at the lower of cost and fair value of each investment individually. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of each investment.

I. Borrowing Cost

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period to get ready for its intended use or sale. All other borrowing costs are recognized as an expense in the period in which they are incurred.

J. Leases

A lease of assets where the risk and rewards of ownership are transferred by the owner by the end of the lease term is capitalized as finance lease. Assets taken on finance lease are capitalized at fair value or net present value of the minimum lease payments, whichever is lower. Depreciation on the assets taken on lease is charged over the primary period of the lease. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease, based on the interest rate implicit in the lease.

Other leases are operating leases, and the leased assets are not recognized in the Company's balance sheet. Lease expenses on such operating leases are recognized in the Statement of Income and Expenditure on a straight-line basis over the lease term. Initial direct costs are recognized as an expense in the Statement of Income and Expenditure in the period in which they are incurred.

K. Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equities share outstanding during the period.

L. Taxes on Income

Current tax is determined based on taxable income and in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference between accounting income and the estimated taxable income for the period and quantified using tax rates and laws enacted or substantively enacted as on the balance sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in the future.

The company is registered under Section 12A of the Income Tax Act, 1961 and the entire amount spent on fixed asset purchased is considered as APPLICATION OF INCOME for tax purposes, no depreciation is required to be calculated as per the Provisions of Income Tax Act, 1961. Hence no deferred tax asset or liability is recognized for the timing difference arising on account of depreciation of fixed asset.

M. Contingent Liabilities

A provision is recognized if, because of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provision are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made

when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is there, for that provision is made.

N. Retirement benefits to employees

i. Short Term:

Short term employee benefits include salaries and performance incentives. A liability is recognized for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Company has a present legal or informal obligation to pay this amount because of past service provided by the employee, and the obligation can be estimated reliably. These costs are recognized as an expense in the Statement of Income and Expenditure at the undiscounted amount expected to be paid over the period of services rendered by the employees to the company.

ii. Post-employment benefits:

The company offers its employees long term benefits by way of defined contribution and defined benefit plans. The plans are financed by the Company and in the case of some defined contribution plans by the Company along with its employees.

a. Defined contribution Plan

Eligible employees receive benefits from a provident fund, which is defined Contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The contribution paid / payable under the scheme is recognized during the period in which the employee renders the related service.

b. Defined Benefit Plan: -

The obligation under defined benefit plan is accounted as per the estimation provided by the Management. In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company.

O. Current – Non-Current Classification

All assets and liabilities are classified as Current and Non-current.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle.
- ii. it is held primarily for the purpose of being traded.
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of the non-Current financial Assets. All the other assets are classified as non-current

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- i. It is expected to be settled in the company's normal operating cycle
- ii. It is held primarily for the purpose of being traded
- iii. It is due to be settled within 12 months after the reporting period
- iv. The company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date. Terms of liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include the current portion of the non-Current financial liability. All the other liabilities are classified as non-current

Operating Cycle:

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the organisation has ascertained its operating cycle being a period within 12 months for the purposes of classification of assets and liabilities as current and non-current.

P. Cash and Cash Equivalents

Cash and cash equivalents comprise each cash balances on hand, cash balance with bank and highly liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

For and on behalf of Board of Director of
Nature-Positive Farming and Wholesome Foods Foundation



Karthikeyan M
Director
DIN:03621322
Place: BANGALORE
Date: 08/09/2025



Vijayasankaran P S
Director
DIN: 05149376
Place: BHOPAL
Date: 05/09/2025